*Before the*

**SUBCOMMITTEE ON SURFACE TRANSPORTATION AND MERCHANT MARINE**
**COMMERCE, SCIENCE AND TRANSPORTATION COMMITTEE**

and

**SUBCOMMITTEE ON TRANSPORTATION, INFRASTRUCTURE AND NUCLEAR SAFETY**
**ENVIRONMENT AND PUBLIC WORKS COMMITTEE**

**UNITED STATES SENATE**

*Statement of*

**AMERICAN TRUCKING ASSOCIATIONS, INC.**

*On*

# FREIGHT TRANSPORTATION

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Chairman and CEO, Roadway Corporation
Akron, OH

September 9, 2002

ATA™
AMERICAN TRUCKING ASSOCIATIONS

*Driving Trucking's Success*

**The American Trucking Associations, Inc.**
**2200 Mill Road**
**Alexandria, VA 22314**

Chairmen Reid and Breaux, Senators Inhofe and Smith, members of the Subcommittees, thank you for the opportunity to express the trucking industry's perspectives regarding freight transportation. I am Michael Wickham, Chairman of the Board and Chief Executive Officer of Roadway Corporation. Roadway is headquartered in Akron, OH. The company was founded in 1930, and today we are one of the Nation's leading providers of less-than-truckload (LTL) freight transportation services. Roadway provides seamless service between all 50 states, Canada, Mexico, and Puerto Rico, with international freight services for 140 countries. We have subsidiaries in Canada and Mexico, and we operate 379 terminals throughout North America. Roadway employs more than 26,000 people. Roadway's Mexican and Canadian operations connect our neighbors with 96 percent of the U.S. population through seamless cross-border operations and services. In addition, Roadway ships over three billion pounds of truckload freight annually. Through Roadway Air, our company provides time-definite air freight delivery services.

I am appearing before the Subcommittees today on behalf of the American Trucking Associations, Inc. (ATA) and Roadway Corporation. ATA is the national trade association of the trucking industry. We are a federation of affiliated State trucking associations, conferences, and other organizations that together include more than 37,000 motor-carrier members, representing every type and class of motor carrier in the country. We represent an industry that employs nearly ten million people, providing one out of every fourteen civilian jobs. While we are a highly diverse industry, we all agree that a good highway system is crucial to our Nation's economy, to the safety of all drivers, and to our bottom line. This includes the more than 3 million truck drivers who travel over 400 billion miles per year to deliver to Americans 86 percent of their transported food, clothing, finished products, raw materials, and other items.[1]

American industrial and commercial enterprises are able to compete more effectively in the global marketplace due to the benefits of safe and efficient trucking. Truck transportation is the most flexible mode for freight shipment, providing door-to-door service to every city, manufacturing plant, warehouse, retail store and home in the country. For many people and businesses located in towns and cities across the United States, trucking services are the only available means to ship goods. Trucks are the only providers of goods to 75 percent of American communities. Five percent of the Nation's GDP is created by truck transportation. Actions that affect the trucking industry's ability to move its annual 8.9 billion tons of freight have significant consequences for the ability of every American to do their job well and to enjoy a high quality of life.

## BUILDING ON SUCCESS: MAKING OUR NATION'S HIGHWAYS SAFER FOR ALL MOTORISTS

Having spent my entire career in the trucking industry, I am most proud of the fact that we continue to improve our safety record, year after year, mile after mile. Safety must be paramount in our

[1] 87.3 percent by revenue. American Trucking Associations, U.S. Freight Transportation Forecast to 2013, 2002.

consideration of future reauthorization programs and policies. ATA takes safety concerns very seriously. Our industry has strongly promoted many safety improvements that have made trucking safer today than it has ever been in the past. Between 1985 and 2000, the fatal accident rate involving trucks has fallen 44 percent. Furthermore, research by the AAA Foundation, and a study done by the University of Michigan at the request of the USDOT, found that in about three-quarters of accidents involving a passenger vehicle and a truck, the actions of the truck driver were not a factor leading to the accident.[2] In fact, today's truck driver is the safest driver – passenger or commercial – in our Nation's recorded history.

Even though the trucking industry is taking proactive steps to improve our safety record, ATA is very concerned about America's overall highway safety experience. Each year, more than 40,000 people lose their lives as a result of a traffic accident. This is an unacceptable loss of life and an economic tragedy. As Secretary of Transportation Norman Mineta announced earlier this year, the economic impact of motor vehicle crashes is over $230 billion per year. This represents an annual economic loss of $820 for every American. Investing additional resources in projects and programs that improve highway safety produces more than human benefits; it has positive economic consequences as well. However, we should also spend our money wisely, directing precious resources toward those activities that will produce the greatest safety benefit, based on sound scientific evaluation of the causes of crashes and appropriate remedies.

It is clear that truck safety has improved over the last 20 years. An interesting question, however, is "What has caused the improvement?" This is a tough question to answer for both industry and government officials. It's fairly clear that some programs that have been implemented in the last 10 to 20 years have contributed to the overall positive picture. The industry-supported federal-state truck safety inspection grant program (known as the Motor Carrier Safety Assistance Program or MCSAP) has had an impact by improving trucks' condition; the Commercial Driver's License (CDL) program has contributed by raising the bar for driver entry into the industry; and the implementation of voluntary drug testing by the industry and a mandatory federal drug and alcohol testing program have also contributed in a positive way. It is very likely that the increase in seat belt use by truck drivers and other motorists have also had a positive impact. Many other industry and government initiatives are likely to have had some benefit as well. The point here, however, is that we still need to have a better understanding of what has worked and why. Additionally, we still do not understand thoroughly how and why truck crashes occur.

Section 224 of the Motor Carrier Safety Improvement Act of 1999 (MCSIA, P.L. 106-159) required the Secretary of Transportation to conduct a comprehensive study to determine the causes of, and contributing factors to, crashes involving large trucks and buses. The primary purpose of this study

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[2] "Driver-Related Factors in Crashes Between Large Trucks and Passenger Vehicles," Federal Highway Administration, April 1999; "Identifying Unsafe Driver Actions that Lead to Fatal Car-Truck Crashes," AAA Foundation, April 2002.

requirement was to have a comprehensive analysis and report that would yield information to help FMCSA and the States identify activities and safety measures that would likely lead to significant reductions in the frequency, severity and rate per mile traveled of crashes involving large trucks and buses. ATA fully supported this study concept during the truck safety debate in 1999 that resulted in the passage of MCSIA.

FMCSA initiated this study in 2000 with the assistance of the National Highway Traffic Safety Administration (NHTSA), and the State agencies involved in commercial vehicle safety efforts. The study will not be complete until the end of 2003 at the earliest. However, a FMCSA official recently confirmed that preliminary information suggests that driver actions – both passenger and commercial – appear to be a more significant factor in accident causation than previously thought, and that enforcement resources may have to be redirected to reflect these findings.[3]

Other studies and data confirm these preliminary findings[4]. Congress and the U.S. DOT have traditionally taken different approaches to improving traffic safety versus truck safety. NHTSA's traffic safety programs have included education and outreach, traffic enforcement programs aimed at changing driver behavior, and crash data analysis. FMCSA's truck safety programs, on the other hand, have focused on increasing the number of regulatory requirements on drivers and carriers, enforced through on-road safety inspections and facility compliance audits. Since so much of truck safety is rooted in overall traffic safety, Congress should seriously consider much more of a traffic safety approach to improving truck safety.

Earlier this year, ATA's President and CEO, William Canary, challenged our state and federal partners to seriously address one of the most pervasive and dangerous violations of the law that drivers encounter every day – speeding. FMCSA reports that speeding (exceeding the speed limit or driving too fast for conditions) was a contributing factor in 22 percent of fatal crashes involving a truck in 2000. Since the majority of fatal truck crashes are multi-vehicle crashes involving one or more passenger vehicles, this 22 percent figure includes speeding on the part of the truck driver, or speeding on the part of the other driver, or speeding by both parties. Also, according to a recent FMCSA study, driving at an unsafe speed was the second most frequent unsafe driving act committed by passenger vehicles in the vicinity of large trucks. Following too closely was the most frequently cited unsafe driving act by motorists.

Additionally, NHTSA reports that speeding was a contributing factor in 29 percent of all fatal crashes in 2000. This means that more than 12,000 people lost their lives in 2000 in part due to speed-related

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[3] "FMCSA Crash Data Analyst Says Study May Alter Inspections." Transport Topics, Aug. 26, 2002, p. 2.

[4] "Driver-Related Factors in Crashes Between Large Trucks and Passenger Vehicles," Federal Highway Administration, April 1999; "Identifying Unsafe Driver Actions that Lead to Fatal Car-Truck Crashes," AAA Foundation, April 2002.

crashes. This is simply unacceptable. The time has come to combat **excessive speeding**. There are four words that every motorist and every commercial vehicle driver needs to remember when they buckle up and take the wheel of their vehicle: **SAFE SPEEDS SAVE LIVES!**

The Section 402 Highway Safety Grant Program administered by the NHTSA supports many outreach and enforcement programs, including the priority programs to encourage the proper use of occupant protection devices and reduce drug and alcohol impaired driving. While these programs clearly deserve a high priority for NHTSA, ATA is concerned that **strong, visible speed enforcement** may not be getting the focus, attention and funding it deserves by NHTSA.

Additionally, the Motor Carrier Safety Assistance Program (MCSAP) administered by FMCSA focuses on priority truck and bus safety initiatives that, for the most part, do not address speeding truck and bus drivers, or other motorists. The MCSAP program, a generally successful truck and bus safety *inspection* program, is simply not putting enough emphasis on traffic enforcement activities. Strong speed enforcement aimed at commercial vehicle drivers, *as well as other motorists with which commercial drivers share the road*, needs to take on a much greater role in the MCSAP program. In fact, there is currently an artificial constraint that keeps the amount of speed enforcement activity in the MCSAP program small. FMCSA's regulations require that all speed enforcement stops (as well as all other types of traffic enforcement stops) of trucks include an appropriate North American Standard Inspection of the truck or the driver, or both, for the activity to be eligible for MCSAP funding. This inspection requirement, found at 49 C.F.R. 350.111, is unnecessary and unwarranted. Additionally, since speeding and other unsafe driving behaviors of non-commercial drivers play an even greater role in truck-involved crashes than do the actions of the commercial driver, the MCSAP program must include traffic enforcement efforts aimed at unsafe motorist behavior.

ATA recommends that Congress authorize additional funding for the Section 402 Highway Safety Grant Program administered by NHTSA, and the MCSAP truck safety grant program administered by FMCSA, **specifically for increased traffic and speed enforcement efforts** in the upcoming highway reauthorization. ATA further recommends that Congress make it clear in legislative language that MCSAP funding may be used for State speed enforcement efforts aimed at both commercial and non-commercial drivers, and that speed enforcement activities aimed at commercial drivers do not have to be linked to a North American Standard Inspection. Additional funding, additional emphasis, and greater federal leadership is needed on this issue to reduce the speed of all drivers on our highways **and to save lives**.

ATA is also a firm believer in the life-saving benefits of seat belts. ATA recommends that Congress continue to support and fully fund the occupant protection programs of NHTSA, including the ongoing 'Click It or Ticket' grant program.

## IMPROVING THE SAFETY AND EFFICIENCY OF INTERMODAL EQUIPMENT

Mr. Chairman, while we try to cooperate with our intermodal partners in many areas, and will do so during this reauthorization cycle, there is one area on which we disagree, and I am afraid that the footdragging by federal agencies and by many in the rail and ocean carrier industries to work with us to resolve the "roadability" issue is having serious safety and economic impacts. Since the advent of containerized shipping in the 1970s, a serious safety loophole has crept into the Federal Motor Carrier Safety Regulations (F.M.C.S.R.s).

As containerized intermodal freight has evolved over the decades, the federal safety regulations have not kept pace. As a result, 750,000 intermodal chassis are operating in a safety loophole. These frame-like trailers are used exclusively to haul intermodal containers, and are interchanged between steamship lines, railroads, and motor carriers. The chassis are also classified as commercial motor vehicles by the USDOT. However, they evade USDOT safety oversight.

The F.M.C.S.R.s fundamentally assume that motor carriers have daily management control over all commercial motor vehicles they take onto public roadways. Based on that assumption, the regulations read, "Every motor carrier shall systematically inspect, repair, and maintain… all motor vehicles subject to its control."[5]

USDOT's interpretation of ***systematic maintenance*** is, "*… **a regular or scheduled program to keep vehicles in a safe operating condition**.*" [6] It explains that the agency does not specify maintenance intervals, leaving that decision to motor carriers, based on fleet and vehicle considerations. So how does USDOT know if a motor carrier is failing to "keep vehicles in a safe operating condition?" When roadside safety inspections, typically conducted by state police, drive a motor carrier's SAFESTAT (violation) numbers above a certain threshold, the agency and state police send an envoy to the motor carrier's place of business to audit the maintenance and employee training records, inspect the carrier's equipment, etc.

While railroads and foreign-owned steamship lines (collectively called "providers") own or lease the intermodal chassis,[7] and control its daily disposition, *they claim not to be* motor carriers, thus not technically responsible for the condition of their equipment under federal safety regulations. However, they do affix the annual inspection sticker on their equipment, which constitutes an act of certification that the equipment was inspected in detail at least once a year. Providers conduct the annual inspection pursuant to the F.M.C.S.R.s, but many do not conduct systematic maintenance on the same equipment, which is likewise mandated by the F.M.C.S.R.s. In fact, providers are generally unaware of the existence of the federal systematic maintenance requirement. This explains the poor condition of intermodal chassis and points to USDOT's failure to close their own regulatory loophole to hold the controlling party accountable for the safety compliance of their own chassis.

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[5] 49 CFR Part 396.3 **Inspection, repair, and maintenance**

[6] *Regulatory Guidance to the Federal Motor Carrier Safety Regulations* at 49 CFR§396.3; emphasis added.

[7] While this is the general practice, some ports have different arrangements.

SAFESTAT is the USDOT's computer analysis of their database containing motor-carriers' accumulated violations. They use it to judge how safely a motor carrier maintains the commercial vehicles under its control. By contrast, it is impossible to assess providers' adequacy in performing systematic maintenance because USDOT resists including them in the SAFESTAT program. Ironically, USDOT says the reason it has not moved forward to close the intermodal equipment safety loophole is because they do not have the data to indicate a problem with the providers' chassis!

A new study[8] conducted jointly by the Federal Motor Carrier Safety Administration and the University of Maryland at College Park provides support to ATA's position on the Roadability issue. This study looked at 11 sectors of the trucking industry, one of which was intermodal operations. Researchers used nine safety performance measurements and other data managed by the USDOT to analyze the safety performance of each sector. One significant finding is that intermodal trucking operations were found to be average or better-than-average in six of the nine measurements. However, in the two measurements relating to vehicle condition, and the one relating to accidents, the intermodal sector ranked poorly. Specifically, among the 11 sectors, intermodal operations ranked last for vehicle safety condition, second-to-last (tenth) for accumulating vehicle out-of-service violations, and ninth for reportable accidents. Thus, the latest research findings from FMCSA confirm what intermodal trucking executives have been saying for years – that the equipment controlled by steamship lines and railroads, and subsequently provided to motor carriers for brief periods of time, are not maintained by those controlling parties as required by the Federal Motor Carrier Safety Regulations.

In summarizing the roadability issue, providers claim they are not motor carriers, thus they are not responsible for maintenance of their chassis. Providers say the motor carriers are responsible. The motor carriers point out that they do not control the providers' equipment; they neither own it, lease it, control its maintenance treatment, conduct annual or periodic inspections on it, nor do they control its daily disposition. The regulations reasonably require truckers to maintain only the equipment they actually control. In the meantime, USDOT has acknowledged that it has jurisdiction over the issue, but has failed to place safety responsibility. That places the 750,000 chassis squarely in a safety loophole, which the USDOT has yet to close.

Enforcement needs to be redirected from the motor carriers, who are powerless to include interchanged intermodal equipment in their periodic maintenance programs, and placed on the parties who decide every day whether to repair a chassis, or hand it off to a motor carrier without the benefit of this USDOT-mandated maintenance benefit. Therefore, ATA is recommending that Congress pass legislation which forces the USDOT to equitably enforce laws designed to ensure the safe condition of all regulated equipment, including intermodal chassis.

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[8] ***Motor-Carrier Industry Profile Study Evaluating Safety Performance by Motor Carrier Industry Segment***; by Thomas P. Keane of the Federal Motor Carrier Safety Administration (USDOT); Dr. Thomas Corsi of the University of Maryland, College Parks, and Kristine N. Braaten of Econometrica, Inc. April 1, 2002. This study was published in the *PROCEEDINGS*, of the International Truck & Bus Safety Research & Policy Symposium on April 3-5, 2002 in Knoxville, Tennessee, an event hosted by the Center for Transportation Research at the University of Tennessee.

## THE NATIONAL HIGHWAY SYSTEM: THE BACKBONE OF AMERICA'S FREIGHT TRANSPORTATION SYSTEM

Trucks move 67 percent of freight tonnage, 86 percent measured by value[9]. This is freight that moves by truck alone; it does not touch another mode. Truck freight is a vital component of America's economy. Trucks are the only providers of goods to 75 percent of American communities. For every $20 spent on freight transportation, $17 will accrue to trucks.[10] This pre-eminence is likely to grow. According to the Federal Highway Administration (FHWA) the demand for freight transportation services will increase by 87 percent by 2020.[11] The trucking industry will be asked to transport nearly 2.7 billion more tons of freight in 2014 than we carry today.[12] This increase of 2.7 billion tons alone is more than 500 million tons greater than the total volume of freight that the railroads will carry in 2014 (See Appendix A). To accommodate this higher demand level, the number of trucks will increase over the next 12 years by 31 percent, adding 1.9 million more trucks to the road, over 157,000 trucks each year. The largest increase, 58 percent, will be among smaller trucks, which tend to operate mostly in urban areas and are not subject to competition from other modes. Overall, truck vehicle miles traveled (VMT) will increase by 36 percent, or 60 billion miles, by 2013.[13] Thus, more trucks will be traveling more miles on a highway system that will see very little capacity expansion over the next dozen years.

This is not a sustainable trend, and it should not be allowed to continue. While the growth in truck demand is inevitable, limiting highway capacity growth is not. Congress has the ability to ensure that the growth in highway capacity matches the growth in vehicle travel.

The intermodal movement of freight can play an important role and should be encouraged. Roadway relies heavily on the railroads for a large portion of our long-distance movements. Last year, one-quarter of my company's delivery miles were on a train. This saved Roadway nearly 24,000,000 gallons in fuel use. However, we believe that we have reached the limit of our railroad utilization potential.

The ability of rail intermodal transportation to slow the growth of truck traffic is limited by market forces beyond the control of Congress, the states and, to some extent, the modes themselves. Today, just 1.2 percent of freight moves in a rail intermodal shipment.[14] Despite anticipated growth in this sector that will exceed trucking growth, by 2014 rail intermodal shipments will capture just 1.5 percent of the freight market, while trucking's market share, as measured by tonnage, will expand to 69 percent.[15]

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9 American Trucking Associations, U.S. Freight Transportation Forecast to 2013, 2001.
10 Ibid.
11 Federal Highway Administration, National Freight Trends/Issues, System Flows, and Policy Implications, 2000.
12 Based on unpublished data from ATA's Economics and Statistics Group.
13 American Trucking Associations, U.S. Freight Transportation Forecast to 2013, 2001
14 Ibid.
15 Based on unpublished data from ATA's Economics and Statistics Group.

It is not constructive to assume that the business logistics trends of the past half-century which have made trucks the dominant mover of freight will somehow reverse themselves, and that our Nation's reliance on trucks will subside. Congress should focus its attention and resources where they are needed most and will pay the greatest dividends for our country – on improving the efficiency of the highway system and the productivity of the trucking industry. Although the past two reauthorization acts developed and promoted by these Subcommittees have been instrumental in revitalizing federal surface transportation policy, there is still a distance to go, with some longstanding obstacles and some new challenges to face.

One of these challenges is basic highway infrastructure. At a time when many stakeholders, including those appearing at this hearing, have legitimate concerns about the future of intermodal connectivity, alternative transportation, and transportation enhancements, there often is a loss of focus on the original purpose of federal involvement in surface transportation: namely, to help the States build and maintain a national system of highways. As the Subcommittees consider their reauthorization proposals, it is imperative to review whether this goal is still being met. According to the Department of Transportation's 1999 Conditions and Performance report, even with the high levels of funding authorized by the Transportation Equity Act for the 21st Century (TEA-21), there is still a shortfall in federal funding of over $25 billion each year just to maintain current conditions on our highways and bridges. While it is inconceivable under current economic conditions to consider completely eliminating the shortfall during this upcoming reauthorization cycle, serious thought must be given to reducing the shortfall.

As America's economy becomes even more dependent on trucks, so too will the economy be affected by the impacts of congestion on the trucking industry's ability to meet shippers' needs. While manufacturers and distributors demand ever more speed and reliability from the trucking industry, our ability to meet those demands are being challenged by growing highway congestion.

For businesses whose livelihoods depend on road transportation, these costs are particularly heavy. No industry is as negatively affected by congestion as trucking. It used to be possible for truckers to schedule their deliveries through congested urban areas at off-peak times. However, increasingly, such times do not exist. Current congestion levels are now compelling revisions to the language of congestion itself. It is no longer proper to discuss the "rush hour," when it lasts for three hours, twice a day. On the Interstate System, for example, more than half of peak-hour travel on urban Interstates occurs under congested conditions.[16] Under such circumstances, it is becoming almost nonsensical to employ terms such as "peak" and "non-peak." In years past, it was possible to schedule deliveries outside of the rush hour window; increasingly, that is no longer possible.

16 Federal Highway Administration and Federal Transit Administration, 1999 Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance, May 2, 2000.

Our highway capacity was perhaps adequate for our Nation's economic and social functioning a generation ago, but today it is increasingly stressed. Over the past thirty years, the nation's population has risen by 32 percent, truck registrations have risen by 45 percent, truck vehicle-miles traveled (VMT) has risen by 145 percent, but road mileage has only increased by six percent.[17] This has led to unprecedented levels of congestion across the country.

Through new innovations such as just-in-time delivery, the trucking industry has played a vital role in improving U.S. productivity. This would have been difficult, if not impossible, to achieve without an efficient network of good roads that connect markets, centers of industry, and multi-modal transportation facilities. These productivity improvements let U.S. industry sell more goods and services at lower prices, both at home and abroad. As a result, more people can be employed at higher wages. Since salary increases are firmly tied to the increase in the amount of goods and services each worker produces, living standards are improved. In addition, these real wage increases result in elevated tax revenues. However, if congestion cannot be effectively managed, it will be difficult for industries to meet these foreign and domestic challenges. The resulting productivity losses will take a severe human toll as stiff competition from abroad wipes out existing jobs and reduces the ability of our economy to create new jobs for a rapidly expanding population.

The National Highway System (NHS), which carries 75 percent of the Nation's truck traffic, is the backbone of the trucking industry. Yet it is also critical to the efficient movement of rail, waterborne and air freight. No matter how efficient these other modes become on an individual basis, their speed and reliability will ultimately be limited by the efficiency of the trucks that they rely on for part of their intermodal movements.

Unfortunately, the performance of the NHS has deteriorated to the point where nearly half of urban Interstate miles are congested during peak periods. Forty percent of travel on urban NHS routes takes place under such congested conditions that even a minor incident can cause severe traffic flow disruptions and extensive queuing.[18] Average annual investment requirements just to maintain conditions on NHS highways and bridges were $26.8 billion in 1997.[19] The actual capital outlay was $22.5 billion, a $4.3 billion, or 19.1 percent shortfall. This was despite the fact that the 160,000-mile NHS carries 40 percent of all traffic and 75 percent of truck traffic.[20] Continued funding shortfalls will only harm road and bridge conditions, further exacerbating congestion levels. We urge Congress to reevaluate the current distribution of federal highway funds during the next reauthorization period and consider whether a greater emphasis should be placed on the NHS.

We are also extremely concerned about the condition of the Nation's bridges. According to a recent study by The Road Information Program (TRIP), approximately one in four of the country's major,

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17 Federal Highway Administration, Highway Statistics, 1999.

18 Federal Highway Administration and Federal Transit Administration, 1999 Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance, May 2, 2000.

19 Ibid.

20 Ibid.

heavily-traveled bridges is deficient and in need of repair or replacement.[21] However, some states have conditions that are much worse than the national average indicates. Thirty-four percent of bridges that are 20 feet or longer in Louisiana are either structurally deficient or functionally obsolete. Oklahoma has the highest percentage of deficient bridges in the country. Approximately one-third of the states bridges 20 feet or longer are in need of immediate repair or replacement because of deterioration or because they no longer meet current design standards. However, the worst news is reserved for Oregon, where more than 350 bridges will have to be replaced in the near future and several major truck routes, including sections of the state's Interstate Highway System, have been load-posted. Additional federal funds must be dedicated to the Bridge Program to prevent this type of situation from permeating throughout the country.

Perhaps nowhere are the effects of many years of neglect and under-funding of the NHS more pronounced than with the situation facing NHS intermodal connectors. In its report to Congress[22], the U.S. Department of Transportation found that connectors to ports were found to have twice the percentage of mileage with pavement deficiencies when compared to non-Interstate NHS routes. Furthermore, DOT found significant physical and geometric deficiencies that made it difficult for trucks to move safely and efficiently between the NHS and intermodal terminals. DOT identified 616 intermodal freight terminals in the United States. This includes 253 truck-and-port terminals, 203 truck-and-rail terminals, and 99 truck-and-air terminals.

It is useful to understand just how important these intermodal intersections are to the U.S. economy. Any product that is produced in the United States must access the global marketplace in the most cost-efficient manner possible. The producer or manufacturer is the party that decides how to receive or ship freight. They make their decisions based on many factors, including just-in-time delivery factors, reliability of delivery times, security, freight value-to-weight ratios, and cost. Shippers also avail themselves of the inherent virtues of each mode of freight carriage. The only way they can take advantage of these efficiencies and values is if the interfacing mechanisms that join the different freight modes is adequate for the transfer. Many times, this is not the case.

Improving intermodal connections also benefits communities, surrounding ports, railheads, and other Intermodal transfer facilities. In many situations, improving connectors will separate commercial vehicles from surface traffic that passes through congested neighborhoods. Often, these neighborhoods are clean-air non-attainment areas, and improved intermodal connectors would likely produce more efficient trucking operations, which will in turn result in fewer emissions.

ATA encourages Congress to set aside funding for improvement of intermodal connectors and to make innovative financing options more available for addressing connector deficiencies. This should include

[21] "Showing Their Age: The Nation's Bridges at 40." The Road Information Program, May 2002.
[22] *NHS Intermodal Freight Connectors, A Report to Congress*; Prepared by the U.S. Department of Transportation, July 2000.

lowering the threshold for TIFIA funding eligibility. We further urge Congress to make changes to the State and metropolitan planning processes to ensure that projects which benefit freight on a regional and national scale receive greater consideration. Project selection should be determined by the U.S. DOT in cooperation with the freight community, state DOTs and other stakeholders.

It is important to keep in mind, however, that as critical as improving intermodal connections is, if the overall highway system is allowed to deteriorate, investing in connectors will be for nought. The 2,000 miles of connector roads will only be as efficient as the 160,000 miles of NHS highways that bind intermodal terminals and other points of loading and offloading together.

Congress should also consider more creative ways of financing highway improvements and adding highway capacity. New innovative techniques would allow states to leverage existing funds. In addition, we support the spending down of the current cash balance in the Highway Trust Fund (HTF) to fiscally responsible levels; crediting the Highway Account with gasohol tax revenues that currently go into the General Fund; ending the gasohol subsidy or crediting the HTF from the General Fund for the cost of the subsidy; crediting interest on HTF balances; and eliminating fuel tax evasion.

Some have suggested that fuel taxes should be increased to pay for growing demand. For nearly fifty years, the trucking industry has supported the concept of a user-supported system. However, the relationship between those who provide financial support for the system and those who determine how the money is spent must be a two-way street. Over our objections, Congress has continuously expanded highway program eligibility to include projects that provide few or no benefits to highway users (e.g. bicycle paths, light rail). Therefore, we cannot and will not invest additional monies in a highway program whose value to our industry is slowly diminishing. Furthermore, any discussion about trucks paying additional fees to meet their full cost responsibility must be preceded by an acknowledgment that our industry has been prohibited by the federal government from operating our safest, most pavement-friendly vehicles, and that such prohibition is an obstacle to the industry's ability to meet our full cost responsibility.

ATA applauds the efforts of Senators Ernest Hollings and John McCain to eliminate the TEA 21 toll pilot program. ATA is opposed to any attempts to toll existing non-toll highways. However, we would not oppose toll financing that delivered an economic benefit to the trucking industry and did not restrict our use of existing roads. For example, we believe that Congress should consider supporting the construction of truck-only highways. While we will evaluate each project on its merit, any Congressional proposal should include all of the following constraints:

- The project should add capacity;
- Use of the lanes should be voluntary;
- If the highway is tolled, trucks should receive a rebate on federal and state fuel taxes paid for using the facility;
- The facility should allow for the use of more productive trucks; and
- The facility should have a safe design.

## IMPROVING FREIGHT PRODUCTIVITY

An effective approach to saving lives, relieving congestion and improving air quality is to reduce the number of trucks on American roads. Given a fixed amount of freight for America's trucks to move, the only way to reduce the number of trucks is to improve the productivity of the trucks themselves, and of their drivers. This is analogous to carpooling – it increases capacity without increasing the road lane-miles. To improve truck productivity, federal size and weight regulations must be reformed.

Federal law currently limits States' ability to control size and weight on their own highways. The limits imposed are lower than those mandated by other nations' governments, including our northern and southern neighbors, who are major trade partners and business competitors. This creates an economic disadvantage for American businesses and it causes additional costs and administrative problems when it comes to moving international freight, including intermodal containers.

There has been no legislative relief to these laws in 20 years, despite considerable improvements in truck safety and better driver training. Decades of experience and volumes of research indicate that more productive vehicles can be safely operated without a detrimental effect on safety or the condition of highways and bridges.[23]

At the request of Congress, the Transportation Research Board (TRB) recently issued a new report on the impacts of federal truck size and weight regulations.[24] Among the report's conclusions was that the largely static and inflexible system of federal regulation that currently exists "…discourages private- and public-sector innovation aimed at improving highway efficiency and reducing the costs of truck traffic…," including costs related to accidents involving trucks.[25]

In a nutshell, the TRB report concludes that states should be given greater authority, with strong federal oversight, to make decisions with regard to the size and weight limits of trucks on highways under their jurisdiction. This reflects ATA's own policy. TRB further recommends that federal regulatory oversight of weight limits should not be extended to the NHS, as H.R. 3132, the Safe Highways and Infrastructure Preservation Act (SHIPA) seeks to do.[26]

There is no doubt that continuing or further restricting current federal size and weight limits will cost lives. While it would not make sense from a safety or economic standpoint to allow larger or heavier trucks to operate on every highway or in every state, Congress cannot continue to ignore the growing

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23 See for example Transportation Research Board, Truck Weight Limits – Issues and Options, 1990, and New Trucks for Greater Productivity and Less Road Wear, 1990.

[24] Transportation Research Board Special Report 267, *Regulation of Weights, Lengths and Widths of Commercial Vehicles*, 2002.

[25] *Ibid*., p. 5-1.

[26] *Ibid*., p. 5-16.

body of evidence that supports the fact that opportunities to prevent accidents through size and weight reform are available. Those states that identify these opportunities should be allowed to take advantage of them.

Allowing the expanded operation of more productive trucks would have two safety benefits. First, carriers would need fewer trucks to haul a given amount of freight, reducing accident exposure. Second, studies have consistently found that certain trucks with greater carrying capacity have a much better safety record than trucks that are in common use today. A study sponsored by the Federal Highway Administration found that the accident rate for longer combination vehicles (LCVs) is half that of other trucks.[27]

A recent Canadian study found that LCVs have an accident rate that is five times lower than the rate for tractor-semitrailers.[28] This study also found that during the 10-year period after LCVs were authorized to operate on a large scale in Alberta Province, the number of registered trucks dropped by 19 percent, even though the economy grew and non-truck vehicle registrations grew by 23 percent. The report concluded that increased truck productivity due to expanded LCV use was the most likely reason for this reduction in truck registrations.

In Nevada last year, just .02 percent of vehicles involved in an accident were triples.[29] Of the more than 36,000 accidents in Montana, including 1,326 accidents involving trucks, just one accident involved a triple. The year before, there were two triples accidents in Montana, in 1999 there was one, and in 1998 there were none. [30] In Colorado, of the 4,226 accidents involving trucks in 2000, just nine involved triples; none of the triples accidents involved a fatality.[31]

This data reflects Roadway Corporation's experience with triple-trailer trucks. Since 1990, Roadway triples have been involved in exactly one fatal accident. That is one fatal accident in over 155 million miles of travel. Last year, there were just five accidents involving Roadway triples, one accident every 2.5 million miles. By comparison, on average, all vehicles nationwide are involved in an accident every 430,000 miles.[32] Triples are by far the safest trucks in our fleet and among the safest vehicles on the highway.

Furthermore, Congress and the States can avoid large investments in pavement maintenance and rehabilitation, as well as capacity expansion, by allowing States to make common-sense changes to their size and weight regulations. Gross weight can increase exponentially and not cause additional pavement damage so long as axle-weight is controlled. This is why, for example, a turnpike double that weighs 126,000 pounds causes half the damage of an 80,000 pound tractor-semitrailer on a ton-mile basis. In

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[27] Scientex. *Accident Rates For Longer Combination Vehicles*, 1996.
[28] Woodrooffe and Assoc. *Longer Combination Vehicle Safety Performance in Alberta 1995 to 1998*, March 2001.
[29] Nevada Department of Transportation.
[30] Montana Department of Transportation.
[31] Colorado State Patrol.
[32] "Traffic Safety Facts 2000," National Highway Traffic Safety Administration.

addition, if trucks are able to ship the same amount of freight in fewer trucks, the need for capacity expansion could be avoided, fuel use and emissions could be lowered, and costs to American manufacturers and consumers could come down.

The federal restrictions on States that limit their ability to determine what types of trucks are allowed to operate on State-owned –and controlled highways have no basis in science or logic and can no longer be justified. Our opponents on this issue continually attempt to represent the industry's ultimate goal as unfettered access to the highway system by more productive trucks. Such a position would be completely illogical, and it thoroughly misrepresents the industry's position. It would be foolish for the trucking industry to disregard the infrastructure and safety impacts of putting trucks on highways that they were not meant to handle or in traffic conditions that are unsuitable. Ultimately, the trucking industry itself would pay the price in terms of higher user fees, weight-posted bridges, higher insurance premiums and tighter government regulation. We are not asking Congress to increase truck sizes and weights. We are simply asking Congress to give States the ability to determine the safest and most cost-effective regulatory regime for their own highway systems.

## IMPROVING THE FREIGHT PLANNING PROCESS

ATA believes that the current planning process does not effectively address the movement of freight. The federal government has effectively devolved its responsibility for ensuring a safe and efficient highway system to State and local governments. While this has allowed planning agencies to address the unique demands of local transportation needs, and to respond more effectively to citizens' concerns, it has also resulted in a parochial system of transportation planning and programming that essentially ignores freight needs. MPOs, for example, may ignore a deficient connector road that links a seaport or rail-head to the Interstate Highway System because the project's benefits are not believed to be as beneficial as other local projects. However, most of the benefits of the project may accrue beyond the geographic scope of the State or local planning agencies' analyses.

We do not blame these agencies for failing to include these far-reaching benefits in their analyses; they simply do not have the resources or expertise necessary to do so. The federal government is the only governmental entity with the expertise, resources and standing to identify freight projects of national significance. We urge Congress to give FHWA the necessary tools and direction that allow the agency to ensure that crucial freight bottlenecks are dealt with quickly and effectively.

## FREIGHT STAKEHOLDERS: WORKING TOGETHER TO ENSURE FUTURE ECONOMIC COMPETITIVENESS

ATA has joined with representatives of our modal freight partners and our customers in promoting a joint agenda designed to facilitate the efficient movement of freight. A joint statement is attached at

Appendix B. The joint statement may be the most extensive united effort by the freight transportation community ever at the federal level, and this points to both the growing interdependence of freight modes and the seriousness with which we regard Congress' decisions in the next reauthorization bill. In brief, the freight community is requesting additional investment in freight projects, including intermodal connectors, and in border crossings and corridors with significant freight traffic; the creation of a national freight industry advisory group to assist in the freight planning process; additional money for freight research and professional development; creation of new or expanded innovative financing options for funding freight projects; and more emphasis on funding freight projects that reduce congestion and improve air quality under the Congestion Mitigation and Air Quality Improvement (CMAQ) program.

We have also joined with our freight partners to secure additional funding for the Borders and Corridors programs that were created in TEA 21. The Coalition for America's Gateways and Trade Corridors, of which ATA is a founding member, is calling for a significant increase in funding for these crucial programs. We are concerned about the significant earmarking that has undermined the effectiveness of these programs. However, we believe that the original intent of the programs – to ensure that the infrastructure necessary to accommodate current and future freight needs, due in part to massive trade expansion – is still valid. We strongly urge Congress to extend the Borders and Corridors programs during TEA 21 reauthorization, and to make the programmatic and financial changes that are necessary to ensure the future mobility of America's freight transportation system. In addition, we urge Congress to refrain from expanding the eligibility of the program beyond its current parameters.

## IMPROVING THE EFFICIENCY OF NAFTA-RELATED FREIGHT

Trade volumes between the United States and its two North American Free Trade Agreement (NAFTA) partners have reached record levels: For 2000, U.S.-Mexico trade reached $248 billion, while U.S-Canada trade amounted to $408 billion. The growth in NAFTA trade is especially impressive if one considers that in 1993, the year before NAFTA was implemented, U.S.-Mexico trade stood at just $81 billion, while trade with Canada was valued at $211 billion. The movement of imports and exports across our international land borders depends on an efficient and effective transportation system.

Unfortunately, the development of physical and human resources at U.S. international land borders has not kept pace with the growth in NAFTA trade. Congestion at U.S. ports of entry is the norm, and considering the heightened security that will continue into the foreseeable future due to the September 11 attacks, these problems have been compounded. This creates inefficiencies in the movement of cargo among the North American trading partners, straining the present-day capacity of human resources and facilities at U.S. land borders. Because trucks haul more than 80 percent of the U.S.-Mexico freight bill and more than 70 percent of the U.S.-Canada freight bill, they are critical to the success of NAFTA and its attendant economic benefits. Delays result in additional freight transportation costs, and threaten to diminish NAFTA's promise.

Data from a Federal Highway Administration (FHWA) analysis of the seven busiest border crossings (which account for 60 percent of truck crossings) reveal that congestion at these ports of entry cost the industry about 2.6 million hours in delay time per year, at a financial cost of at least $88 million.[33] In addition, trucks waste about 2.6 million gallons of fuel annually, with a resulting environmental impact of 23,000 tons of carbon dioxide and more than 300 tons of nitrous oxides. Congress should ensure that adequate resources are dedicated to the development of infrastructure and human resources along the U.S. borders with Canada and Mexico in order to meet the challenges associated with rapidly increasing trade growth among the three countries.

Some examples of where federal resources could be applied include:

- Funding for the construction of truck inspection facilities, and for hiring truck inspectors, both at the federal and state level, to inspect trucks entering the United States from Mexico.
- Construction of ports of entry solely for commercial traffic on the U.S. northern and southern borders.
- Planning and development of quality access roads between ports of entry and the National Highway System.

In addition, ATA has actively supported the funding and development of the Automated Commercial Environment (ACE) and the International Trade Data System (ITDS) to make cross-border movements of cargo, vehicles and drivers more efficient and secure.

We ask the Subcommittees to look at technologies under development that can facilitate enforcement efforts while at the same time expedite the movement of freight across our borders. One such system being designed presently by U.S. Customs, with input from the trade community, is the Automated Commercial Environment, or "ACE."

In 1993, along with legislation implementing the NAFTA, Congress passed the Customs Modernization Act, or "Mod Act," establishing a new operating environment for U.S. Customs and the international trade community. Concepts such as "informed compliance," "shared responsibility," and "reasonable care" imposed greater obligations on U.S. Customs to provide improved information concerning the responsibilities and rights of the trade community. At the same time, the legislation mandated U.S. Customs to develop a new automated customs processing system to replace the antiquated and overburdened Automated Customs System (ACS). Nearly ten years after the passage of the Mod Act, ACE is still in its nascent stage, but it is finally under significant development, and its full deployment is expected within the next three to four years. The present head of U.S. Customs, Commissioner Robert Bonner, has recognized the importance of developing such a system to give Customs greater tools to improve its information collection and improve the efficiency with which it processes millions of transactions every year.

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[33] " Commercial Vehicle Travel Time and Delay at U.S. Border Crossings," Federal Highway Administration, Office of Freight Management and Operations, June 2002.

Mr. Chairman, it is important that Congress continue to provide adequate funding for the full development and implementation of the ACE system. In order to defend our Nation from potential future terrorist attacks, and at the same time process the legitimate commercial goods so important to our Nation's economy, we must provide our border enforcement agencies the necessary tools and resources to fulfill their duties and responsibilities. It is also critical that no *new* user fees be imposed for the future development of ACE, especially if the current Merchandise Processing Fee (MPF), which raises about $900 million each year and is slated to end in 2003, is earmarked for some other budgetary purpose. If the MPF is supposed to be for Customs commercial processing, then this fee should be used for nothing but for improving Customs commercial operations.

Mr. Chairman, ATA supports the implementation of NAFTA's trucking provisions in order to improve the efficiency with which cross-border operations take place between the U.S. and Mexico. ATA is also a strong advocate for ensuring that all carriers operating in the U.S. – Canadian, Mexican or U.S. carriers – meet all U.S. safety and environmental standards, as well as all financial operational responsibilities.

Furthermore, implementing NAFTA's trucking provisions would enhance the security of cross-border trucking operations by simplifying the movement of trailers across our common borders. In a report to Congress issued in 1997 by the White House on U.S.-Mexico anti-drug cooperation, the U.S. Customs Service wrote:

> *The high congestion of truck traffic entering the United States is, in part, a result of restrictions imposed by both the United States and Mexico on crossborder motor carrier operation… over 50% of commercial trucks enter the United States empty, contributing to border congestion and increasing the inspection burden for border agencies.*

NAFTA's trucking provisions allow for carriers throughout North America to improve their ability to make cross-border trucking more efficient, effective, safer, and more secure.

It is also important that we work with our counterparts in Canada and Mexico to improve harmonization of border operations and infrastructure development to establish technology and mechanisms to facilitate and expedite the gathering, sharing, and exchange of information and data to clear cargo and people crossing our land borders efficiently and securely. We must continue to find solutions that improve the processing of the legitimate flows of people and cargo, while simultaneously improving our security through stronger relationships between the trade community and law enforcement agencies at our borders.

## ENSURING THE SECURE AND EFFICIENT MOVEMENT OF FREIGHT

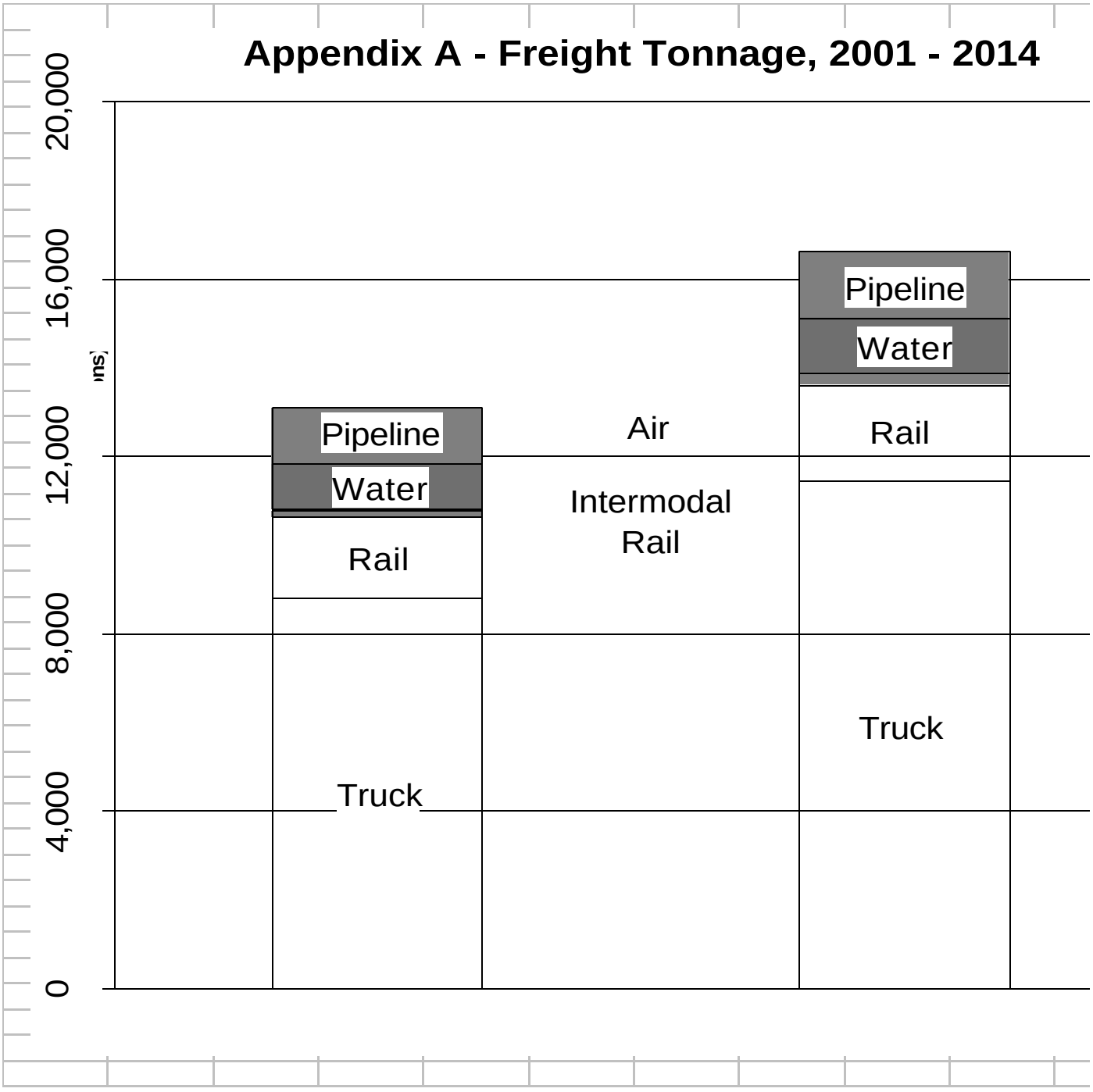
In our efforts to protect the country from the terrorist threat, strategic planning for this new type of war must take into account three critical principles with respect to the trucking industry.

First, the timely communication of threat related information is the single most important short-term objective that must be met. In order for trucking companies to properly deploy our security resources and instruct our drivers on the proper steps needed to protect themselves, the public and our customers' goods, we need detailed communications so that we can understand and appreciate the threat, evaluate our companyies exposure and act in time to avoid becoming victims of terrorism.

Second, our professional drivers, dispatchers, managers and supervisors are the most critical elements in protecting trucks from becoming the objects of, or the mechanism for, terrorist attacks. Drivers have control of our equipment 90 percent of the time, and therefore they are the most vulnerable to terrorism. We have an obligation to train our 3.2 million professional drivers to recognize terrorist operational acts, report these acts to the proper authorities, and react appropriately. The trucking industry needs federal help to complete this effort in no more than three years.

Third, productivity is the lynchpin of America's global economic competitiveness. In our efforts to conduct our war on terrorism, we must give equal attention to the preservation of our abilities as transportation enterprises to creatively and efficiently move the goods and instruments of commerce where needed, when needed. Any new regulatory framework must adhere to the core principal of "the green light is on" for trucks unless there is a substantial, direct and immediate threat that would justify slowing or restricting commercial flows.

Thank you for the opportunity to offer our thoughts regarding the upcoming reauthorization of the federal surface transportation legislation. We look forward to working with the Subcommittees to improve the safety and mobility of our Nation's freight transportation system.


Appendix A - Freight Tonnage, 2001 - 2014
20,000
16,000
12,000
8,000
4,000
0
Pipeline
Water
Rail
Truck
Air
Intermodal
Rail
Pipeline
Water
Rail
Truck

**APPENDIX B**

# FREIGHT STAKEHOLDERS TEA-21 REAUTHORIZATION AGENDA

**1. Protect the integrity of the Highway Trust Fund**. Reauthorize the firewalls provided for in TEA-21 to ensure that the funds collected are used for their dedicated purpose and not for deficit reduction.

**2. Dedicate funds for NHS highway connectors to intermodal freight facilities**. The NHS Intermodal Freight Connectors report that was sent to Congress documents the fact that these road segments are in worse condition and receive less funding than other NHS routes. Targeted investment in these "last mile" segments would reap significant economic benefits compared to the associated costs.

**3. Form a national freight industry advisory group pursuant to the Federal Advisory Committee Act to provide industry input to USDOT**. The advisory group should be funded and staffed, and it should consist of freight transportation providers from all modes as well as shippers and state and local planning organizations. Despite the best efforts of the agency to function as "One DOT," there is still not enough of a focused voice for freight. An Advisory Group would meet the need for regular and professional interaction between USDOT and the diverse freight industry, and could help identify critical freight bottlenecks in the national freight transportation system.

**4. Create a Freight Cooperative Research Program**. Increasingly, industry issues are public issues that would benefit from a dedicated, funded research effort led by an industry-based steering/oversight group, such as the one described above, to ensure useful research results to benefit the freight transportation system as a whole. One option would be to dedicate a portion of the states SP&R dollars to freight issues. Freight data issues would fall under this program as well.

**5. Expand freight planning expertise at the state and local levels.** Given the importance of freight mobility to the national economy, States and MPO's should be provided additional funds for expert staff positions dedicated to freight issues (commensurate to the volumes of freight moving in and through their areas).

**6. Develop ways to increase available funds without new user fees and taxes by creating a toolbox of innovative financing options specifically aimed at freight capacity improvements and enhancements.** Options could include (1) lowering of the

threshold for TIFIA funding eligibility (2) development of tax incentives, and (3) expansion of the state infrastructure banks (SIBs).

**7. Significantly increase funds for an expanded corridor/border and gateway program.** This would build on the highly popular but under-funded "Corridors and Borders Program" (Sections 1118 and 1119), but adds the important concept of gateways. The funding should be freight specific, and there should be a qualification threshold (based on volumes) so that dollars get directed at high volume corridors/borders/gateways rather than wish-list projects.

**8. Streamline environmental permitting for freight projects.** Multiple and often duplicative federal laws and regulations delay environmental review of transportation projects. Language in TEA-21 directing federal agencies to streamline the review process for highway projects has not been effective and other measures to simplify the review process for all freight projects should be considered.

**9. Increase funding and promote use of the Congestion Mitigation and Air Quality Improvement Program for freight projects that reduce congestion and improve air quality.** CMAQ was designed to fund projects that will help reduce transportation-related emissions. Although CMAQ has supported some freight projects, it has been used primarily to address passenger needs. CMAQ funding should be dedicated to projects that can be shown to reduce congestion or improve air quality. Total funding for CMAQ should be increased and the use of CMAQ funds for freight projects should be clarified and strongly encouraged.

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